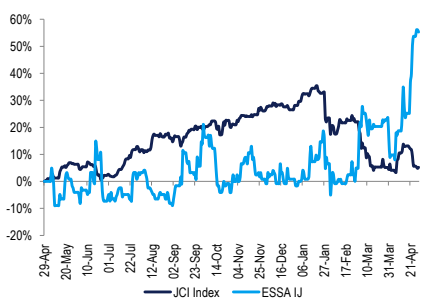


Stock Data

Target price	Rp1,200
Prior TP	Rp1,000
Current price	Rp955
Upside/downside	+26%
Shares outstanding (mn)	17,227
Market cap (Rp bn)	16,452
Free float	56%
Avg. 6m daily T/O (Rp bn)	118

Price Performance

	3M	6M	12M
Absolute	33.6%	61.9%	54.0%
Relative to JCI	54.5%	74.1%	48.8%
52w low/high (Rp)	560 – 960		



Major Shareholders

Chander Vinod Laroya	16.4%
Garibaldi Thohir	14.1%
Akraya International	7.5%

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1Q26 result: NP was flattish and below; expected to catch up in 2H26F

- ESSA 1Q26 NP of US\$19mn (+132% yoy) came below ours but above consensus FY26F estimates at 18/35%; we expect a catch up in 2H26F.
- 1-month turnaround maintenance remains on schedule (May26).
- Reiterate Buy at unchanged SOTP-based TP of Rp1,200; we believe ESSA's growth projects have not been priced in at current price.

1Q26 NP was flattish and below ours; NP will catch up from higher ASP

ESSA 1Q26 NP was flattish qoq at US\$19mn (+132% yoy), as higher ASP (+12% qoq) was offset by lower sales volume (-11% qoq). 1Q26 NP came below ours but above consensus forecast at 18/35% respectively. The miss vs. ours was primarily due to lower-than-expected ammonia ASP of US\$455/t (83% IPS), while sales volumes were in-line. However, we expect ASP to catch up in the following quarters as Middle East ammonia price averages at US\$670/t in Apr26 vs. US\$530/t in 1Q26. Note that ESSA's ammonia plant is scheduled for 1-month turnaround maintenance in May26, thus ASP may start to catch up next quarter but NP will only start catching up by 2H26F.

Ammonia: production was stable but sales declined from high base Q4

1Q26 ammonia production remained relatively stable at 195kt (-1% qoq). However, sales volume declined to 188kt (-11% qoq), though 4Q25 sales volume was a high base from inventory sales that was carried over from 3Q25. ASP rose to US\$455/t (+12% qoq), in-line with Middle East Ammonia benchmark. However, gross margin only improved slightly to 47% (+95bps qoq) and gross profit was flattish at US\$40mn. Overall, volume was in-line but ASP was below (at 26/83% respectively).

LPG: margin still declined on lower volume despite higher ASP

1Q26 LPG volume slightly declined to 16kt (-3% qoq), likely due to lower C3/C4 composition. ASP rose to US\$533/t (+9% qoq), in-line with CP Aramco prices. Despite higher ASP, gross margin declined to 34% (-721bps qoq). As a result, gross profit was recorded lower at US\$3mn (-14% qoq).

Reiterate Buy at unchanged SOTP-based TP of Rp1,200/sh

We reiterate our Buy rating at unchanged SOTP-based TP of Rp1,200/sh. Given that ESSA is currently trading at 10x FY26F P/E (vs. global peers of 11-13x), we believe ESSA's attractive long-term expansion plan of doubling its ammonia capacity and venturing into SAF have not been priced-in yet by the market. Key downside risk is softer than expected ammonia prices and ceasefire in the Middle East would probably create a knee-jerk reaction to ESSA's share price.

Financial Summary (US\$ mn)	2024A	2025A	2026F	2027F	2028F
Revenue	301	295	431	466	466
EBITDA	128	117	218	250	255
Net profit	45	40	103	120	122
EPS growth	31%	-11%	156%	16%	2%
ROE	8%	7%	14%	14%	12%
PER (x)	22.8	25.5	10.0	8.6	8.5
EV/EBITDA (x)	7.5	7.7	4.7	4.1	4.0
Dividend yield	N/A	N/A	N/A	N/A	N/A
IPS vs. consensus			107%	114%	N/A

Source: Company, Indo Premier

Share price closing as of: 29 April 2026

Fig. 1: 1Q26 financial summary

ESSA 3M26 results	3M26	3M25	yoy%	1Q26	1Q25	yoy%	4Q25	qoq%	IPS FY26F	% of IPS	Cons FY25F	% of cons
Revenue	95	70	37%	95	70	37%	95	1%	431	22%	311	31%
COGS	(52)	(47)	9%	(52)	(47)	9%	(51)	0%	(228)	23%	(191)	27%
Gross profit	44	22	96%	44	22	96%	43	1%	203	22%	120	37%
Gross margin	46%	32%		46%	32%		46%		47%		38%	
Opex	(10)	(8)	22%	(10)	(8)	22%	(10)	-1%	(33)	30%	(38)	26%
EBIT	34	14	137%	34	14	137%	33	1%	170	20%	82	41%
EBIT margin	36%	21%		36%	21%		35%		40%		26%	
Depreciation	12	11	10%	12	11	10%	10	22%	47	26%		
EBITDA	46	25	82%	46	25	82%	43	6%	218	21%		
EBITDA margin	48%	36%		48%	36%		46%		50%			
Interest income	1	1	74%	1	1	74%	1	12%	5	25%		
Interest expense	(0)	(1)	-66%	(0)	(1)	-66%	(0)	5170%		####		
Others	(0)	(0)	-53%	(0)	(0)	-53%	0	-145%				
Pre-tax profit	35	14	155%	35	14	155%	35	0%	175	20%	96	36%
Income tax	(8)	(3)	171%	(8)	(3)	171%	(8)	-1%	(39)	21%		
Minority interest	(8)	(3)	213%	(8)	(3)	213%	(8)	3%	(34)	24%		
Net profit	19	8	132%	19	8	132%	19	-1%	103	18%	54	35%
Net margin	20%	12%		20%	12%		20%		24%			

Source: Company, Indo Premier

Fig. 2: 1Q26 operational summary

Operational summary	3M26	3M25	yoy%	1Q26	1Q25	yoy%	4Q25	qoq%	IPS FY26F	% of IPS	Cons FY25F	% of cons
Ammonia (k mt)	188	175	8%	188	175	8%	211	-11%	713	26%	-	N/A
Utilization rate (%)	121%	104%		121%	104%		122%		115%			
LPG (k mt)	16	17	-3%	16	17	-3%	17	-3%	63	26%	-	N/A
Utilization rate (%)	114%	117%		114%	117%		118%		125%			
Ammonia ASP (US\$/mt)	455	341	34%	455	341	34%	405	12%	546	83%	-	N/A
LPG ASP (US\$/mt)	533	553	-4%	533	553	-4%	488	9%	600	89%	-	N/A

Source: Company, Indo Premier

Fig. 3: SOTP valuation summary

SOTP Valuation	US\$m n
Ammonia (70% ownership)	862
LPG	175
Asset value	1,037
Cash	215
Debt	-
Equity value	1,252
USD/IDR	16,700
Outstanding shares	17,227
Target price	1,200
Current share price	955
Upside/(downside)	26%

Source: Company, Indo Premier

Income Statement (US\$ mn)	2024A	2025A	2026F	2027F	2028F
Net revenue	301	295	431	466	466
Cost of sales	(193)	(196)	(228)	(233)	(228)
Gross profit	108	99	203	234	238
Opex	(26)	(28)	(33)	(35)	(35)
Operating profit	82	71	170	199	203
Net interest	(5)	(0)	5	5	4
Others	0	(0)	0	0	0
Pre-tax income	77	71	175	204	207
Income tax	(16)	(16)	(39)	(45)	(46)
Minority interest	(15)	(15)	(34)	(40)	(40)
Net Income	45	40	103	120	122

Balance Sheet (US\$ mn)	2024A	2025A	2026F	2027F	2028F
Cash & Equivalent	98	157	80	92	79
Receivable	38	22	20	20	21
Inventory	25	28	22	23	27
Other Current Assets	18	11	11	11	11
Total Current Assets	179	219	134	147	138
Fixed Assets - Net	493	451	485	713	849
Other non-Current Assets	24	24	24	24	24
Total non-current assets	517	475	509	737	872
Total Assets	695	694	642	884	1,011
Payable	12	10	10	11	13
ST Bank Loan	0	34	0	0	0
Current Portion of LT Loans	106	42	0	0	0
Other Current Liabilities	7	6	6	6	6
Total Current Liabilities	125	93	17	17	19
Long Term Loans	55	16	0	200	300
Other LT Liabilities	18	31	31	31	31
Total Liabilities	198	140	48	248	350
Equity	146	145	145	145	145
Retained Earnings	210	253	284	316	336
Others	23	19	19	19	19
Minority Interest	118	137	146	155	160
Total SHE + Minority Int.	498	554	594	635	661
Total Liabilities & Equity	695	694	642	884	1,011

Source: Company, Indo Premier

Cash Flow Statement (US\$ mn)	2024A	2025A	2026F	2027F	2028F
EBIT	77	82	52	48	32
Depr. & amortization	47	46	47	52	70
Net interest	(15)	(5)	0	5	1
Changes in working capital	17	11	8	(1)	(3)
Others	25	9	(11)	(12)	(7)
Cash flow from operating	151	143	96	92	93
Capital expenditure	(3)	(5)	(81)	(281)	(206)
Others	0	5	0	0	0
Cash flow from investing	(3)	(0)	(81)	(281)	(206)
Loans	(109)	(69)	(92)	200	100
Equity	41	(5)	0	0	0
Dividends	0	0	0	0	0
Others	(130)	(10)	0	0	0
Cash flow from financing	(198)	(84)	(92)	200	100
Changes in cash	(49)	59	(77)	12	(13)

Key Ratios	2024A	2025A	2026F	2027F	2028F
Gross margin	30%	36%	27%	25%	19%
Operating margin	22%	27%	19%	17%	11%
Pre-tax margin	18%	25%	19%	19%	11%
Net margin	10%	15%	11%	11%	7%
ROA	5%	7%	5%	4%	2%
ROE	7%	8%	5%	5%	3%
ROIC	14%	17%	10%	6%	4%
Acct. receivables TO (days)	9	14	14	14	14
Inventory TO (days)	6	9	10	10	11
Acct. payables TO (days)	20	19	19	19	19
Debt to equity	32%	17%	0%	31%	45%
Interest coverage ratio (x)	7.0	12.7	19.7	N/A	N/A
Net gearing	13%	-12%	-14%	17%	33%

Source: Company, Indo Premier

INVESTMENT RATINGS

- BUY : Expected total return of 10% or more within a 12-month period
- HOLD : Expected total return between -10% and 10% within a 12-month period
- SELL : Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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